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OF
NEWS AND VIEWS

- Competition in Socialist Economy
- Helping Peasants to Be Better Off
- Islamic Foreign Ministers' Conference



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HIGHLIGHTS OF THE WEEK

Management Reform

Factories and enterprises which have introduced management reforms show higher output value and profit than those which haven't. Our reports tell why and how (p. 4 and p. 16).

Competition Under Socialism

Does China's socialist economy allow competition? Yes, certainly! answer most economists. A few have doubts. The gist of the theoretical discussions is provided in a roundup (p. 19).

Education of the Young

Socialist China pays great attention to bringing up the chil-

dren. In Beijing, a campaign is afoot to look after the kindergarten charges with motherlike love (p. 27). In Wuhan, a city-wide effort is being made to put more pep into activities for young people (p. 7).

To the South Pacific

Photos and eyewitness account of the carrier rocket test (pp. 23 and 24).

Meeting in Islamabad

Neither threat nor cajolery from Moscow could stop the foreign ministers of Islamic countries from reaffirming their call for Soviet troop withdrawal from Afghanistan (p. 9).

Merchant Fleet Growing

China's young merchant fleet now boasts 400 vessels and a total tonnage of 7 million tons (p. 6).

Renovating a Culture Street

Reconstruction begins on ancient Liulichang, a Beijing street long known for its art and book stores, antique shops, etc. (p. 30).



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POLITICAL

More Red and Expert Cadres

At a symposium on the modernization of agriculture held recently in the Xinjiang Uygur Autonomous Region, Tiemur Dawamat (Uygur), Secretary of the Party committee of this region, read a paper he wrote on the topic. In the light of the region's natural conditions, its history of animal husbandry and the people's living habits, he explained the importance and specific methods of developing livestock breeding in Xinjiang. His viewpoints aroused great interest and drew a warm response from the participants.

A small county-run factory in Heilongjiang Province succeeded in making nitrogen molecule laser which, according to experts, surpassed similar home-made products in performance. Shen Jiajing, who was in charge of making the apparatus, was only a graduate of a secondary technical school. Now he has been promoted and is an engineer and deputy head of the factory.

These are only two examples. The number of leading cadres with technical expertise is gradually increasing. Since the Third Plenary Session of the Party's 11th Central Committee (December 1978) decided to shift the focus of work to socialist modernization, many administrative cadres who were not so well versed in economic construction have begun to study technology and management skills in order to become experts. At the same time, many others who have a good command of scientific know-

ledge and management skills have been promoted to leading posts.

Early in the 50s, Chairman Mao advocated that cadres should be "both red and expert" ("red" refers to high political consciousness and "expert" means vocational proficiency). Now, this has again become the principle for training and selecting cadres. The Fifth Plenary Session of the Party's 11th Central Committee held last February issued a call to build up a mighty contingent of cadres who firmly keep to the socialist road and are competent and proficient in vocational knowledge.

Socialism is a new ideological system and a new form of social organization. It is the product of long years of development. The emergence of a socialist system in China is a logical development of Chinese history and a decisive choice made by the Chinese people after protracted struggles.

To re-emphasize the need to firmly keep to the socialist road is to remind the cadres that they must analyse the concrete conditions and make distinctions while learning the advanced technology and managerial skills of foreign countries. They must not blindly follow everything in the capitalist countries or be influenced by bourgeois ideology.

In addition to keeping to the socialist road, it is necessary for the cadres to have the ability to lead and take part in the work of socialist modernization. In a certain sense, the biggest obstacle for China's four modernizations is not the lack of advanced technology and equip-

ment, but the lack of a contingent of cadres who are equipped with modern scientific and technological know-how and are capable of organizing modern large-scale production.

According to 1978 statistics, cadres specialized in the fields of engineering, agriculture, public health, scientific research, teaching, literature and art, news reporting, publishing and translation accounted for less than one-third of the total number of cadres in the country. The percentage of highly specialized technical cadres was even lower. The number of engineers, agronomists and animal husbandry experts, doctors, researchers and professors is, comparatively speaking, much fewer than in developed countries. This situation must be quickly changed.

The majority of the cadres in China today have attained the educational level of senior middle school or college graduates. Among them, three million have received a college education, and more than five million are engaged in special scientific and technological work. In addition, some worker-peasant cadres have become experts in their own fields through years of practice though they did not receive a formal college education. Special mention must be made of the large numbers of cadres trained after liberation. In the prime of life and with a fairly high level of special knowledge and practical experience, they are playing a major role in socialist construction. It is from among them that outstanding cadres with ability and political integrity are selected and promoted to leading posts.

An even more important measure is to give the cadres the special training they badly need. All departments under the central and local authorities, as well as the various enterprises and undertakings, are running spare-time schools on a large scale for the cadres still working at their posts. This includes TV colleges, evening schools, correspondence courses, and special training classes, seminars and symposiums.

The textile industry has made a good start in this respect. The number of workers and staff members taking part in spare-time courses has reached 470,000. Apart from this, textile departments throughout the country have set up 173 spare-time colleges, with a total enrolment of 10,000. The Jiangsu provincial textile bureau has organized classes on enterprise management. So far, more than 1,000 Party committee secretaries, factory directors, workshop heads and floor leaders have received training in rotation. This has improved management and promoted production.

ECONOMIC

Greater Power for Enterprises

Notable results have been achieved by 3,300 industrial enterprises in the country which have been given greater power of self-management. They have handed over a greater amount of profit to the state and retained a larger share of the profit for expanded reproduction and for the improvement of the workers' welfare. This was announced at a national conference of industry and communications held recently in Nanjing.

The output value of these enterprises accounts for about one-third of the nation's total output value of industry, and the amount of profit they have turned over to the state is about two-fifths of the total.

According to incomplete statistics, the total output value of 2,963 industrial enterprises in Shanghai, Sichuan, Jiangsu and 19 other major cities and provinces, which have introduced the new system of management on a trial basis, registered a 12.2 per cent increase last year over 1978 while their profit increased by 20 per cent—all surpassing the average level of those enterprises where the system of management remained unchanged.

The total amount of profit retained by these enterprises was equivalent to 8.7 per cent of the amount handed over to the state. They retained 34.2 per cent of the increase in profit for 1979, and the remaining 65.8 per cent went to the state. So while the state received a greater amount of profit, the enterprises also had more funds for developing production and for improving the welfare facilities of the workers.

The Xinhua News Agency pointed out in a commentary that profound changes have taken place in the enterprises which now have greater power of self-management. The main advantages are:

- Since the enterprises have greater power in making decisions and have more economic benefits than before, they now have an inner motive force and greater enthusiasm in improving their management. For instance, they have, after fulfilling the state plans, taken the initiative to produce goods in demand on the market and adopted measures to increase variety,

improve quality and sell their own products.

- With fairly large sums of money at their own disposal, the enterprises now have the capability to go in for expanded reproduction by their own efforts. For instance, they can handle such matters as replenishing the equipment, introducing technical innovations and renovating old factory buildings which formerly could only be done with state investments and with the approval of higher authorities.

- The workers and staff members enjoy greater power than before, including the power in planning, in marketing part of their products, in the distribution of bonuses and in electing cadres at the grass-roots level.

- To run the socialist enterprises well with greater power of self-management requires that the leading cadres are capable and competent. This will impel them to do their best to acquire managerial ability.

It was decided at the national conference that this economic reform should be gradually extended to more and more enterprises. (See p. 16.)

A Proportionally Developed City

The economy of Weihai city¹ (see map on p. 5) in Shandong Province improved remarkably in the 70s. Its industrial output value last year was over 300 million yuan, 4.6 times that of 1970. Grain output by the people's communes on its outskirts was 7.8 tons per hectare, more than double that of 1970. Its industry also developed rapidly, but this did not bring in its wake traffic

jams, air pollution and housing shortage as was in the case of many other cities.

With a population of 190,000, of which 30,000 live in the city proper and the rest are engaged in farming on the outskirts, this thriving coastal city, neat and orderly, has set a good example for other small and medium-sized cities to follow.

The population of Weihai city is small and investment from the state is limited. On its outskirts, arable land is scarce, with only one hectare for every 15 persons on the average. That means a large work force is available in the countryside for developing industry. With this in view, the city has built a number of collectively owned industrial enterprises by integrating city with countryside and industry with agriculture. Now there are 83 industrial enterprises at the city level, 32 of which are state-owned, employing about 6,000 workers, and 51 are collectively owned, with 11,000 workers.

The city mainly depends on existing factories to develop its industry. Take, for instance, the trial-manufacture of new



The city of Weihai in coastal Shandong Province.

products. They are first trial-produced in a specially designed workshop in an old factory. When the workshop is able to handle the job by itself, it moves out and is gradually expanded into a new factory. This method is known as "hens laying eggs."

Another method is to make use of rural labour power to process spare-parts and other products for the city factories. Take carpet making for instance. Nineteen centres were set up in the years 1971-74 in the rural areas for weaving carpets, a process that takes much time and labour. Over 1,000 peasant-workers were employed, and annual carpet output was 10,000 square metres, a three-fold increase.

So far, 49 city-level industrial enterprises have set up 287 rural processing centres, with a total of 8,867 peasant-workers.

All this has in turn greatly promoted the development of

commune- and brigade-run industries. By 1979, there were 58 commune-run and 156 brigade-run factories in the city's seven rural people's communes.

The growth of rural industries provides the much needed funds for farm mechanization. Last year, the total income of the communes and brigades from processing products totalled 11.6 million yuan, which constituted the main source of funds for developing agriculture. There were 1,077 tractors altogether, an average of 5.5 tractors per brigade, and the average per-capita income in the countryside was 211 yuan.

Helping the Peasants To Be Better Off

Commune members in north-east China's Liaoning Province received on the average 104 yuan each last year, an increase of 14 per cent over that of 1978. For a province whose economy depends largely on heavy industry,



this is heartening news, especially because it has only recently begun to pay attention to agriculture and the peasants are encouraged to do their best to become better off than they used to be.

At a recent conference to discuss rural work, Ren Zhongyi, first secretary of the provincial Party committee, issued the call to mobilize the peasants to discuss ways and means of building a prosperous new socialist countryside as quickly as possible.

In the ten years of turmoil (1966-76), Liaoning was one of the areas which suffered serious damage from the ultra-Left line of Lin Biao and the gang of four. At that time, the fallacy that "one will make revolution when poor, but once rich, one will turn revisionist" was rife. Household sideline occupations, such as the raising of pigs and poultry, were slashed as "tails of capitalism." And no one dared to breathe a word about being "well-off." These mental shackles have been shattered, and the people remark joyfully: "The Party Central Committee wants us to be rich, the provincial Party committee leads us along the way to become rich, and we too want to be rich from the bottom of our hearts. Now all of us are of one mind."

During the discussion, everyone attained a clear understanding of the relationship between collective and individual prosperity. The only way for the commune members to be rich is to keep to the socialist road, work hard and develop the collective economy. They must not stay away from collective production and make a fortune for their families.

On the other hand, however, collective or common prosperity

is not equivalent to "sharing the richness on an equal basis" or "simultaneously being well-off." In a production team, for instance, those who work hard and make a greater contribution should get more and be well-off ahead of the others. Support should be given to household sideline occupations so long as there is no exploitation of labour and no harm to state and collective resources or collective productive labour. This is because these sideline occupations benefit not only the peasants but the state and the collective as well.

With the emancipation of the mind, more ways of increasing production and income have been found. For instance, Panshan County in Liaoning was in the past considered to be poor in resources. Now the commune members have put forward the suggestion to reclaim the wasteland for farming and grazing, to use the salt-water in the wells to make salt and grow poplars and willow-trees for timber. In Donggou County, there is a stretch of beach, 6,600 hectares in area, which had lain waste for 30 years. In the last few months, on one-third of the beach dykes were built in preparation for breeding fish and cultivating reed. An emulation campaign has been launched to see which commune or brigade will prosper first.

To help the peasants increase both output and income, the people's governments at various levels have adopted the following measures:

- In 1979 and 1980, the state allocated 296.66 million yuan to Liaoning Province for developing agricultural production, an annual average increase of 18 per cent over that of 1978.

- The Liaoning branch of the Agricultural Bank of China granted 991 million yuan in loans to the villages last year, a fourfold increase over that of 1978.

- Since spring last year, the supply and marketing departments in the province have helped 43 counties or districts in setting up over 100 fruit-growing, bee-keeping and rabbit-breeding centres.

- Last year the supply and marketing co-operatives in the villages purchased from the peasants a record high of 485.96 million yuan worth of agricultural products.

- The people's communes are encouraged to use their surplus manpower to set up service centres in the cities and towns, run small mines or engage in short-distance transport so as to increase their income.

Modernization March

Ocean-Going Merchant Fleet.

China now has a merchant fleet of 400 vessels, with a total cargo tonnage of over 7 million tons. Building of this fleet began in 1961. The ships make regular calls at 416 ports in over 100 countries and regions in the world today, and transport about 70 per cent of the cargo tonnage required by foreign trade agreements to be carried in ships sent by China. Last year, the total amount of cargo they carried exceeded 40 million tons.

The China Ocean Shipping Company has now undertaken to transport all the cargo to and from Japan and the Democratic People's Republic of Korea assigned to Chinese shipping under agreements between China and those countries. It

also plans to do the same step by step on its lines to Australia, Southeast Asia, the Persian Gulf, Europe, the Americas and Africa. Its freighters also ply between Xianggang (Hongkong) and Shanghai², Tianjin³, Dalian⁴, Qingdao⁵, Guangzhou⁶, Xiamen⁷ and Shantou⁸ (see map on p. 5). In addition, the shipping company has opened passenger service between Xianggang and Shanghai, Guangzhou, Xiamen and Shantou.

Utilization of Water-Power Resources. The exploitation of the Xijiang River⁹, whose water-power resources are estimated to be close to those of the Huanghe, China's second longest river, is well under way.

A tributary of the Zhujiang (Pearl River) system, the Xijiang starts from the Yunnan-Guizhou Plateau and runs through the Guangxi Zhuang Autonomous Region. The project in progress at Dahua¹⁰ on the upper reaches of the Xijiang is a 400,000-kilowatt hydroelectric power station. At present, 80 per cent of the concrete-pouring for an 80-metre-high power house has been completed. A dam, 967 metres long and 78.5 metres high, is scheduled to block the flow before the end of this year.

Other large hydroelectric power stations will be built along the river, including the projects at Longtan and Dateng Gorge which are specified in the appendix of a Sino-American protocol on co-operation in the exploitation of hydropower and other relevant water resources.

Underground Gas Depot. China's first underground gas depot has been built and is now in

operation at the Daqing Oilfield in northeast China.

The depot is a hollow rock chamber 800 metres underground, capable of storing 40 million cubic metres of gas. Even in extreme cold, smooth flow is ensured. At present, a gas injection station and five gas wells have been built. Up to 10 million cubic metres can now be injected and extracted.

SOCIAL

Care for the Youngsters

Two young workers in an oil refinery in the city of Wuhan in central China often spent their time gambling. Once during a fight they injured another person. The leading members of the refinery did not send them to the public security bureau but, with the help of their parents, patiently talked things over with them and made them see their mistakes. The two workers rapidly mended their ways and made progress both in

work and study. Both were later admitted to the Communist Youth League and were cited as advanced workers.

These are only two of the several thousand juvenile delinquents who have been reformed in the recent period as a result of efforts made by the Wuhan authorities in educating the young.

The first quarter of this year saw a marked drop in criminal cases in this city of over 3 million people. More than 75 per cent of the juvenile delinquents have turned over a new leaf.

With concern and help from the Party, government and society, these youngsters are gradually ridding themselves of the pernicious influence of the ultra-Left line pushed during the ten years of turmoil. They are beginning a new life, doing their bit for the four modernizations.

What were the effective measures taken by the Wuhan authorities?



Song Rensui, a veteran Red Army man, telling revolutionary stories.

— While taking resolute steps to curb criminal activities, the Wuhan authorities organized 4,000 groups consisting of more than 10,000 cadres, policemen, teachers, members of neighbourhood committees and parents of juvenile delinquents to patiently educate the young offenders so as to bring them round.

— They helped the youngsters to foster communist morality and revolutionary ideals so as to enable them to resist corruption by decadent ideas. Last year, the Communist Youth League carried out such activities throughout the city on four occasions; in addition, 23 meetings were held at which some youngsters told how they had changed and become advanced people useful to the society. All this had a strong impact on more than 20,000 youngsters who attended these meetings.

— To enliven cultural activities, the city authorities set up more than 3,000 recreational centres and 2,200 libraries and reading rooms for the young. In addition, they organized various kinds of ball games, and assigned full-time coaches in the various districts and neighbourhoods to help the youngsters in their after-school activities.

— Over 1,200 collectively owned enterprises were set up, providing work for about 100,000 young people. In addition, another 20,000 young people were given work in state-run enterprises. Thus, over 80 per cent of the youngsters waiting for jobs found employment.

Similar efforts have been made in the other big and medium-sized cities and encouraging results have been achieved.

Party committees in Beijing, Liaoning, Sichuan and 13 other

cities, provinces and autonomous regions recently held meetings during which the participants exchanged experiences gained in educating the young and worked out plans to help bring up the younger generation in a healthy way.

FOREIGN RELATIONS

90th Anniversary of Birth of President Ho Chi Minh

May 19 was the 90th anniversary of the birth of the late Vietnamese leader, President Ho Chi Minh. Major newspapers in Beijing published commemorative articles, praising President Ho for his lifelong dedication to the cause of the Vietnamese revolution and for his contribution to safeguarding and developing the friendship between China and Viet Nam.

Renmin Ribao published an article that day by Zhou Yizhi, commemorating the friendship between President Ho Chi Minh and Chen Geng, a well-known Chinese general, during the Vietnamese people's anti-French war.

An article by the Xinhua News Agency pointed out that President Ho Chi Minh made the acquaintance of Comrade Zhou Enlai and other Chinese revolutionary forerunners in France in the early 1920s. Later, President Ho took part in the Chinese revolution during the years 1924-27, and in the 1938-41 period he fought together with the Chinese people against Japanese aggression.

President Ho shared weal and woe with the Chinese people

and had deep friendly feelings for them. At critical junctions during the Vietnamese people's wars of resistance against France and the United States, and in healing the wounds of war after defeating the French, he visited China on several occasions, seeking aid and assistance. China had sent military advisory groups, large numbers of experts and more than 320,000 air defence and engineering troops to Viet Nam, thereby fulfilling its internationalist duties of helping the Vietnamese people to win victory.

After the death of President Ho Chi Minh in 1969, however, Sino-Vietnamese relations began to deteriorate. This is because the Le Duan clique has turned traitor to President Ho's policy of upholding friendship and co-operation with China, and pursued the policy of opposing China and striving for regional hegemonism. This is a tragedy for the Communist Party of Viet Nam founded by President Ho Chi Minh and for the Vietnamese people who cherish Sino-Vietnamese friendship.

The article concluded by saying that despite its perverse actions, the Le Duan clique can never destroy Sino-Vietnamese friendship nurtured by Chairman Mao Zedong and President Ho Chi Minh.



Islamic Foreign Ministers' Conference

Positive Results

THE 11th Islamic Foreign Ministers' Conference in Islamabad ended with positive results on May 22 after six days of discussion. Afghanistan, the Gulf region, the Middle East and Jerusalem were the main issues on the agenda of 102 items.

Soviet Troops Must Withdraw From Afghanistan. The Afghan situation was the focus of attention at the conference. A resolution was adopted which upheld the principled stand of last January's emergency meeting of the Islamic Foreign Ministers' Conference which had passed a resolution calling for the withdrawal of Soviet troops from Afghanistan. However, four months have passed and the Soviet Union, turning a deaf ear to this demand, has turned the nation into its bridgehead for expansion into South Asia and the Gulf region by nearly doubling the number of its aggressor troops in the country from January's 50,000 and deploying ballistic missiles there.

The recent conference reiterated the demand for an immediate, total and unconditional withdrawal of Soviet troops from Afghanistan. That is crucial to the solving of the Afghan issue today. This is because as long as the Soviet Union refuses to pull out its troops, Afghanistan's national independence and state sovereignty cannot be restored and tension in the region relaxed. The conference reaffirmed re-

spect for the Afghan people's inalienable right to decide their own form of government and social system free from outside interference.

Moscow's Challenge. Before and during the conference, Moscow used both hard and soft tactics to try to divert the conference's orientation.

On the eve of the conference, the Soviet Union instructed the Karmal regime to propose holding meetings with Pakistan and Iran in an attempt to legalize the regime. It also busied itself with sowing dissension among the Islamic countries to soften their attitude of opposition to Soviet aggression. Moscow even privately spread the word that it would withdraw its troops from Afghanistan when the conference decides to recognize the regime. Moscow's smug calculation is that the international recognition of the regime

is equivalent to justifying its invasion and occupation of Afghanistan. But the Soviet Union failed to persuade the overwhelming majority of the Islamic countries to recognize the Kabul regime. The conference decided not to have anything to do with the regime before a Soviet withdrawal. Afghan guerrilla leaders, as members of the Iranian delegation, attended the conference and delivered speeches in the name of Afghan resistance organizations.

During the conference, the Soviet mass media kept attacking some leaders of the Islamic countries attending the conference. TASS claimed that the Afghan problem was imposed on the conference by Pakistan allegedly for the purpose of diverting the discussion from matters of "real concern" to the Islamic world. TASS described Afghan guerrilla leaders who took part in the conference as "chiefs of the Afghan reactionary gangsters." It also attacked the participating states for discussing the Afghan issue as "another attempt at open in-



The 11th Islamic Foreign Ministers' Conference in session.

terference in the internal affairs of a sovereign country." As is widely noted, it is not accidental that the Soviet Union sent helicopters based in Afghanistan to bomb an Iranian village.

However, all these undisguised intimidations failed to browbeat the Islamic states.

Clear-Cut Position. The conference took a clear-cut stance towards the Afghan and other problems.

Superpower contention has sharply destabilized the situation in South and West Asia and seriously threatened the security of many Islamic countries. The conference passed a declaration condemning Israel for promulgating a law annexing Jerusalem and making it its "permanent capital." The declaration also asked for the holding of an emergency meeting of the U.N. Security Council to apply sanctions against Israel. It justifiably condemned the U.S. attempt to rescue American hostages in Iran as violating Iranian sovereignty and expressed the hope that the United States would refrain from taking any actions not conducive to solving the problem. At the same time, it called on Iran to continue its efforts to solve this issue. This showed the conferees' concern over the dispute.

Although there were divergent views over some questions at the conference, on the whole it fully embodied the spirit of unity of the Islamic community. The resolution on the question of the security of the Islamic countries showed their strong aspirations for defending collective security in the face of the growing threat.

The conference was convened at a time when the Soviet Union refused to pull out from

Afghanistan and continued to pursue the policy of pushing southward, thus jeopardizing the security of the Gulf region. Taking up its historical mission, the conference sternly condemned the Soviet aggression and voiced support for the Afghan people's resistance. It has made a definite choice between justice and power politics, between

independence and enslavement. This is a contribution to the defence of the security of the Gulf area and to world peace as well. It shows the major role the Islamic countries, an influential political force, are playing on the international stage.

— "Beijing Review" news analyst Yu Pang

South Korea

Mass Struggle Against Tyranny

THE south Korean people's struggle against tyranny and for democracy has forced the self-declared "prime minister" Shin Hyon Hwack to resign with his cabinet on May 20.

The recent struggle started in March with south Korean university students demanding campus democracy. It spread rapidly to the whole of south Korea. The people have clear-cut demands: social democracy, abolition of martial law and the fascist "Yushin (revitalized sys-

tem) constitution." They want Shin Hyon Hwack, head of the south Korean army security command, and acting director of the south Korean central intelligence agency Chun Du Hwan and other Yushin hangers thrown out. Besides 250,000 students from some 80 universities and 10 high schools in Seoul, Taegu, Pusan, Inchun and other places, large numbers of citizens and democratic personages also took part. This is the largest mass struggle against fascist rule since the April 19



Kwangju demonstrators parade in a government armoured car.

popular uprising 20 years ago.

Former presidential candidate Kim Dae Jung and president of the south Korean New Democratic Party Kim Yong Sam issued a joint statement on May 16 supporting the students' struggle. They demanded social democracy, an immediate abolition of martial law, the release of all political prisoners and an immediate stop to the revision of the constitution which was under government auspices.

To the demands of the patriotic students, citizens and democratic personages, the south Korean authorities responded with the imposition of "extraordinary martial law" starting from zero hour May 18. This proscribed all political activities, demonstrations and rallies and closed down all universities and special colleges. Press censorship was enforced. Anyone who resisted was arrested and punished. That very afternoon, it was announced that 26 people including Kim Dae Jung had been arrested. Thus a Pak Jung Hi type of dictatorship was imposed in south Korea.

The south Korean people were not to be subdued. On May 19, the day after the imposition of martial law, 50,000 students and citizens in Kwangju took to the streets to protest the "extraordinary martial law." The authorities cracked down on them and several hundred students were wounded and arrested. Two days later, 200,000 students and residents of Kwangju demonstrated again. The demonstrators were reported to have broken into an arms depot and seized sub-machine guns and am-

munition. Some commandeered a number of armoured cars which they drove through the streets. They fought armed police. The mayor and other officials fled and demonstrators took over provincial and city government buildings. On May 27, backed by tanks, armoured cars and helicopters, 17,000

soldiers were sent by the south Korean authorities to quell popular resistance and take over control of the city.

However, the struggle of the south Korean people is not over. They want nothing short of a complete end to fascist dictatorship.

Nepal

The Panchayat System Remains In Force

THE Panchayat system carried the day in the Nepalese national referendum on May 2, Radio Nepal announced.

More than 4 million of the 7.2 million voters of Nepal cast their ballots, with 400,000 more for the party-less Panchayat system than for the multi-party system. The results are considered an indication of the aspirations of most Nepalese.

The referendum was decided by King Birendra on May 24 last year to determine the form of government.

Rural voters who made up the majority decided the day for the Panchayat system. In addition, King Birendra's high standing among the people was another factor favouring the system.

The Panchayat System. The Nepalese Panchayat system under which political parties are banned was introduced in April 1963 to replace the multi-party parliament, according to the first Nepalese Constitution promulgated in 1962 by the late King Mahendra. The National Panchayat is the supreme legislature of the country. Its chairman is appointed by the King himself. According to the sys-

tem, the government and the legislature are directly responsible to the King, who exercises his power through the National Panchayat and the Council of Ministers appointed by himself. Political parties were outlawed in 1961.

National Referendum. King Birendra's decision to hold a national referendum was related to the turbulent internal situation at the time. It was reported that Tribhuvan University students clashed with the police on April 6 last year, resulting in some 30 students wounded and ten arrested. This was followed by student strikes and demonstrations, which grew in scale. The Kathmandu local government arrested about ten persons—including the former Prime Minister and leader of the banned Nepali National Congress Party B. P. Koirala—on charges of organizing violence. It was this development that led the Minister of Education and Prime Minister Bista to resign and King Birendra to announce a national referendum to see what the people wanted.

The King's decision caused quite a stir at home and abroad.



Kathmandu citizens go to the polls.

Former Prime Minister Koirala said: This is of historic significance and the act of a statesman. Bista who had just resigned said that most Nepalese would probably vote for the Panchayat system, for it would be able to serve their highest interests.

After the national referendum, King Birendra told the whole country on May 14 that the Panchayat system would be retained for ever with some reforms. The King had promised

last December that a national legislature would be formed through elections. The prime minister would no longer be appointed by the King but recommended by the legislature; and the prime minister and the Council of Ministers would be responsible to the legislature instead of to the King. Therefore, some major changes will take place in the form of the Nepalese Government.

— Li Bingjun

Upheavals in Uganda

THE situation in Uganda has taken another drastic turn. On May 10, President Godfrey Binaisa announced the dismissal of David Oyite Ojok, the Chief of General Staff of the National Liberation Army, but Ojok and the Military Commission of the National Liberation Front headed by Labour Minister Paulo Muwanga rejected the discharge.

According to foreign reports, pro-Ojok troops on May 11 occupied the broadcasting station, took control of Kampala, the capital, and arrested Minister of Internal Affairs B. Kununka, who is considered a supporter of Binaisa. The Military Com-

mission announced over the country's radio that Binaisa's decision was unconstitutional. In an ultimatum he sent on the morning of May 12 from Entebbe, about 40 kilometres south of the capital, to troops holding the broadcasting station, President Binaisa demanded that they withdraw by the morning of May 13. On May 12, the Military Commission urged the National Consultative Council to discuss the situation, but Edward Rugumayo, President of the Council who was abroad then, refused to return home to call the meeting. Then on the evening of May 12 the Military Commission proclaimed its take-

over of the power of the president. This brought the long volatile situation in Uganda to another stage.

Many Factions Inside Liberation Front

The deposed Binaisa is the second President of the Government of the Liberation Front. The front had been hurriedly set up in March last year by exiled organizations to topple the Amin regime. In the following month, Amin was thrown out and the government of the front was founded. Factional conflicts flared up in the front and as the factions sought to extend their own influence, the front's programmes and promises were shelved and the economy showed no sign of improvement. The situation inside the country grew unstable. Yusufo Lule, the first President, was deposed and exiled abroad 69 days after taking office.

Confrontation

On June 20 last year, Binaisa attended a National Liberation Front meeting as a democrat without party affiliation. At the meeting he was elected President of Uganda by a slender majority through exploiting contradictions among the various factions who refused to give in or compromise. Last November he also took over the post of Defence Minister. Then in February Binaisa announced the dismissal of Paulo Muwanga, Minister of Internal Affairs, appointing him to an ambassadorial post abroad. This aroused the ire of the Uganda People's Congress headed by Muwanga. At a National Consultative Council meeting, the People's Congress condemned Binaisa and demanded a vote of no-confidence. But a compromise was reached and Muwanga

returned to the cabinet as Minister of Labour. This averted a split in the government. But confrontation appeared between President Binaisa and the People's Congress headed by Muwanga and Ojok, both controlling the military.

Last March, Binaisa announced at a meeting celebrating the first anniversary of the founding of the Liberation Front that the national general elections would be held earlier than scheduled. It is presumed that because he found his position precarious, Binaisa wanted to exploit his posts as President and Chairman

of the Liberation Front to win a legal status by calling an early general election.

On May 7, former President Obote announced in Dar-es-Salaam that he would end his nine-year exile and return to participate in the forthcoming general elections in early December. This was an open challenge to Binaisa.

Three days after Obote's announcement, Binaisa decided to remove Ojok from his office. Ojok and others riposted and brought down the President.

—Dan Lin

Haiti Under the Whip

THE Republic of Haiti was the first country in Latin America to proclaim its independence, but during its 178 years of nationhood, it has predominantly been under the ruthless authoritarian rule of military men. All its presidents have come to power with some form of foreign backing. Thousands of people, sick and tired of living under the whip at starvation level, have fled this country whose history has been aptly described as having been "written in blood." In 1957 the "Black Republic" entered an even darker age when Francois Duvalier became its president with outside help.

Francois Duvalier was a bloodthirsty tyrant who regarded the whole of Haiti as the private property of his family and the people as its slaves who were to be benumbed through religion and voodooism. The post of president became part

of the Duvalier family's inheritance. In 1964, after Duvalier had violently eliminated all dissenters in the country, he proclaimed himself "life president" of the republic. In 1971, as he was about to die, he changed the age requirement for the presidency in the constitution from 40 to 20 years old so that his son, who had just turned 19, would be able to succeed him as "president for life." The heir, Jean-Claude Duvalier, was an ignorant good-for-nothing who wallowed in the fleshpots. He faithfully carried out the instructions of his mother, Simone Duvalier, in the early years of his presidency. This First Lady, besides ruling the country through "counselling" her son, also had great influence over the Duvalier family's affairs and the government.

Strict news censorship kept Haiti well isolated from the rest

of the world. Anyone who dared disclose the reactionary rule in Haiti or even write a newspaper story on a struggle against the tyrannic Duvalier rule was in danger of being thrown into prison or assassinated. In 1976, for instance, a young Haitian journalist who reported on a strike at the Haitian cement company, Le Ciment d'Haiti, was mysteriously and brutally murdered. Last year, the government promulgated a press law which made it a crime punishable by two years imprisonment for anyone who "provoked" the armed forces, incited riots, defamed the president or his mother, or injured the memory of the late Francois Duvalier.

However, the Duvalier family's attempts to hide the truth from the world have been futile. News filtering out of Haiti show that it is under the most repressive rule. In the past 20 or so years, tens of thousands of Haitians out of a population of only some 5 million have been shot or tortured to death. The basement of the Presidential Palace and the jail in Port-au-Prince are notorious execution grounds.

Under the Duvalier regime, Haiti's economy has declined. Indiscriminate deforestation has resulted in serious soil erosion and crop yields have been poor for many years running. Although there has been an increase of new factories in recent years due to foreign investments, the profits have all gone to line the pockets of the Duvalier family while the people have gained no benefits. About 80 per cent of the Haitians earn less than 100 U.S. dollars a year. The people are so pov-

erty-stricken that in some areas several families have to share one cooking pot and eat only one meal a day. In the cities, 80 per cent of the labour force cannot find jobs and the streets are full of beggars. About 85 to 90 per cent of the country's population is illiterate.

It is precisely such oppression that has made the Haitian

people rise up in struggle time and again. Today, it is estimated that there are about 500,000 Haitians living in exile, and more than a score of their organizations in Europe and the American continents are talking about joining forces to struggle for the overthrow of the reactionary regime in their homeland.

— Yao Chun

Spain After Franco

GREAT changes have occurred in Spain in the past four years. "Parliamentary democracy" has replaced authoritarianism, the economy has improved, and the country, having broken away from the isolation of the Franco era, is actively cultivating friendly relations with all countries.

Democratic Reform. The democratization of Spain proceeded in a unique way. There were no great upheavals or outside interference and it was directed by Franco's hand-picked successor, King Juan Carlos, who has been influenced by Western democratic and reformist ideas. More importantly, however, was the growing demand of the workers, peasants and middle class for democracy and the abolition of authoritarianism. This demand was also echoed in the army, the Church and the Falangist Party—the three pillars of the Franco regime. Democratic reform was therefore an irresistible trend which King Carlos could not ignore.

Supported by Prime Minister Adolfo Suarez Gonzalez, King Carlos had in the past few years repealed the old laws and decrees which suppressed democracy and proclaimed a

general amnesty. He disbanded the National Movement, the only political organization permitted under Franco and the instrument of authoritarian rule, and enabled many political parties and organizations to become legal. A bill was adopted which legalized trade unions and abolished the former government-run trade union. In 1976, the Spanish people went to the polls for the first time in 40 years and a two-chamber parliament was elected. In December 1978, Spain's first democratic Constitution in 42 years was promulgated, marking the basic completion of the transition from Franco's fascist authoritarianism to Western bourgeois parliamentarianism.

The Economy. With initial success in political reform, the Spanish Government turned to economic and social problems. The Suarez government first of all concentrated its efforts on solving the three major headaches of inflation, a long-standing deficit in the country's international balance of payments and unemployment. To this end, the government and several main opposition parties reached a "historic compromise" on economic matters by concluding the Moncloa Pact which

provided for devaluing the currency, limiting wage rises, increasing government investments by 30 per cent to boost employment, a tax reform, and encouraging domestic and foreign investments, etc.

Some gains have resulted from these measures. However, difficulties still remain. The Spanish economy is too heavily dependent on the world market. It has to import 90 per cent of its oil and over half of its coal, iron ore and bauxite. At present, unemployment is still a serious problem, the rate hitting 10.4 per cent last year, the highest in Europe.

Social Problems. The most pressing social problem in Spain is rampant terrorist activity. To cope with this problem, the government, besides passing an anti-terrorist law and stepping up its search and arrest of terrorists, is trying to solve the ethnic contradictions. The Suarez government made the timely decision to abrogate the old, repressive laws and decrees against the minority nationalities and to guarantee national and regional autonomy in the country's new Constitution. Last year, a statute on Basque autonomy was adopted and the Catalan *Generalitat* (government) was also restored. The granting of regional autonomy, widely welcomed by the Basques, helped to ease ethnic contradictions, isolate the terrorists and stabilize the political situation. But terrorism has grown from more deep-seated social problems which the new Constitution and statutes for regional autonomy cannot fully solve.

Foreign Relations. The present government follows a policy of relying on the U.S., allying with Western Europe, guarding against the Soviet Union and

actively developing relations with China and other third world countries. It now has diplomatic relations with 118 countries. King Carlos and the Suarez government are active proponents of West European unity and strength, and the building up of Europe's defences to meet the threat of Soviet aggression. In July 1977, Spain formally applied to join the E.E.C. and is now considering joining NATO.

Although the political situation in Spain appears to be

stable, many difficulties remain on its road of democratization. The government is under great pressure owing to unemployment and public security problems, and the fierce contention between the Soviet Union and the United States will increase the strife among the various political groupings in the country. However, as most of the Spanish people want democracy, stability and prosperity, the democratization process in Spain will continue.

—Ou Xiaowen

Greece

A New President

NEW Greek President Constantine Karamanlis was sworn in on May 15. He had been elected to the post ten days earlier in the third presidential ballot of the 300-member Parliament by 183 votes, three more than the three-fifth majority required for the presidency. In the first two ballots he failed to get the required majority. According to the Greek Constitution, if a new president fails to be elected in three ballots, Parliament must be dissolved and a general election held. Karamanlis' election has made this unnecessary.

The presidential election was acutely contested. The biggest opposition party, the Panhellenic Socialist Movement (which has 93 deputies in the Parliament) abstained, and the Greek Communist Party (with 11 deputies) cast blank votes. They wanted an early general election. Despite the twists and turns, Karamanlis won at last. This was not without cause.

Since the New Democracy Party led by Karamanlis came to power in 1974, the Greek economy has been making some headway. The people's livelihood has improved somewhat, and the goal of joining the Common Market has been basically realized and Greece's standing has been enhancing as a result of its pursuance of manifold diplomacy. Despite severe inflation in recent years, the dispute with Turkey and the unsettled problems in the relations with the United States, no other political party in Greece can compete with the ruling party. This favoured Karamanlis' victory over his opponents. He said after his election that he was taking up his new post at a time when the international situation was unstable and menacing.

Although its entry into the European Common Market was fairly smooth, Greece ran into rough patches in settling its problems with the United States and achieving its re-entry

into NATO. After its withdrawal from NATO over the Cyprus affair, Greece has been gradually improving its relations with the United States with which it renewed and revised a military agreement in 1977. But because the dispute with Turkey over Cyprus has not been settled completely and the United States has lifted its arms embargo against Turkey, Greece has so far refused to carry out the agreement.

Greece is a strategically important country and the Soviet hegemonists have for years tried to exacerbate Greek relations with Turkey and the United States. Last year Karamanlis paid a visit to Moscow, the first one ever made by the head of a Greek government, and the two sides signed a political declaration and an agreement on economic and technical co-operation. But as a result of the Afghan events, the Greeks have become aware of the expansionist policy of the Soviet hegemonists, and the Greek Defence Ministry has pointed out recently that for its own safety, Greece hopes to have a stable internal situation and an army that is prepared and strong.

Karamanlis, who had been Prime Minister off and on for 13 years, declared the resignation of his post as leader of the New Democracy Party as he took up the presidency. This will sharpen the acute factional fights in the party and have an influence over whether it will remain in power after the 1981 general elections. As President, Karamanlis can expect to face many knotty problems before him.

—Zhang Qihua

*Investigation Report***Initial Reform in Economic Structure**

by Lin Zili

In the last quarter of 1979, the author went to Sichuan, Anhui and Zhejiang Provinces on an investigation tour of the enterprises which had been granted partial power of self-management. Following are excerpts from his report. — Ed.

SINCE the principle of reforming the economic structure was laid down by the Third Plenary Session of the Party's 11th Central Committee more than a year ago, research on economic theory has become more active than before. To find the correct path, a group of practitioners determined on reform has already swung into action. Expansion of an enterprise's power of self-management is being tried out in many provinces.

Although the scope for enterprises trying out the new system of management is not big and reform of the old structure is not thorough, notable results have been achieved. The profits of those enterprises which had introduced the new system of management on a trial basis in Sichuan Province last year increased by a big margin as compared with 1978, and were generally higher than in those enterprises where the system of management remained unchanged. There has been a breakthrough in the old economic structure which was hindering the development of the social productive forces. Economic activity which had been sluggish all along began livening up because it had gained inner dynamic force. In introducing the new system of management, our attention is not focused on studying the question of centralization or decentralization of power in the higher administrative offices, but on the interests of the enterprises. This is aimed at perfecting socialist economic relations.

New Changes in Economic Relations

Since October 1978 when enterprises were given bigger power of self-management in

Sichuan Province, the number of such enterprises has increased from six to 300 this year. Anhui Province with 80 enterprises involved and Zhejiang with 74 started introducing the new system of management in the last quarter of 1979. What changes have come about in the economic relations during the experiment with the new system? What is their significance?

Viewed From the Production Process. In the past, an enterprise had to follow strictly the state quota in planning what, how and how much it produced. If an enterprise had bigger productive capacity than required, part of it would lie idle. An enterprise would produce as usual regardless of whether its products met social needs and their value was realized. Now this situation has changed in enterprises which have been given bigger power of self-management because they can arrange for the production of a portion of their products over and above the state quota.

The Dujiang Machinery Plant in Sichuan produces electric saws, planers and milling machines. Its products are well received at home and abroad because of their good quality. Last year, the state quota it received was smaller than its production capacity. With a view to expanding production, the plant put out a well-illustrated, detailed catalogue and sent it to prospective buyers all over the country. It also sent its agents out to contact the users directly. As a result, orders began to pile up. Quite a big portion of its products last year consisted of what the plant itself had arranged. This brought its production capacity into full play.

In the past, the Sichuan No. 1 Cotton Mill produced strictly according to state plan. The result was that some of its goods piled up while others often went out of stock. Under the new system, the mill made a market investigation, after which it added several new varieties to the norms the state had set for

it. As a result, its products met the needs of the market better.

Viewed From Circulation. In the past, all the equipment, raw and semi-finished materials, fuel and power needed by an enterprise were supplied by the state. On the other hand, all the goods it produced were purchased and marketed by the state. Now, in enterprises which have been given more power of self-management, things are done in a more flexible way both in supply and marketing.

In Chongqing, the Zhongnan Rubber Plant itself negotiated the supply of 30 per cent of its raw material last year by signing contracts with enterprises in other provinces. The profits it made last year were double the amount planned.

The total output of the Chongqing Iron and Steel Works last year was 500,000 tons, 130,000 tons of which were sold by the enterprise itself at floating prices. In the absence of intermediate links, there were no additional administration charges and prices were a little bit lower than those fixed by the state.

Viewed From Distribution. Originally, all the income of an enterprise was handed over to the state, while all its expenditures were covered by state revenue. Not only was money appropriated by the state for expanded reproduction, but wages and bonuses were under the unified administration of the state. The practice now is not like that. After the workers' wages and bonuses have been deducted from the enterprise's income, the net profit will be divided between the state and the enterprise according to a certain ratio. To gain more profit, an enterprise has to increase output, improve quality, lower costs and accelerate turnover. These constitute the inner dynamic force for improving the business management of an enterprise. Although the proportion of the profit retained by an enterprise is still small, nevertheless, there is money left at its disposal for increasing production, expanding collective welfare facilities for the workers and staff, and giving more bonuses.

The Chongqing No. 2 Knit Goods Mill bought 20 hosiery machines in February last year with its enterprise fund and later bought



After the People's Market in Chengdu was granted more power of self-management, it expanded its service from merely selling articles to taking orders also.

another 60 with the profits it made from the first 20. It is estimated that the mill will gain a profit amounting to 1.8 million yuan this year. While carrying out expanded reproduction, the mill spent 150,000 yuan on building living quarters for the workers and staff. Equipment which the mill needed five years ago but was never given the money for has now been bought out of its own funds in one year.

To gain the biggest profit possible, every enterprise tries by all means to bring the consumption of labour below the average in society. Competition naturally arises. The Ningjiang Machine Tool Plant in Sichuan produces equipment for the meter industry. The quality of its machine tools is good and the price comparatively low. But the state quota it received last year was much lower than its production capacity. It put an advertisement in *Renmin Ribao*, which has nationwide circulation. Orders followed one after another. It signed contracts with users at home and abroad for more than 1,000 pieces. This put pressure on four other plants making similar products. The Ningjiang plant is selling its automatic lathes at 9,500 yuan apiece. This forces the plants in Shanghai, Liaoning, Hangzhou and Xian producing similar lathes to lower their prices.

At a fair held last October in Wenjiang Prefecture in Sichuan Province, various plants displayed their motors, generators and other

electrical machinery. Unreasonably high prices for products lower in quality had to be cut down. The natural result was a floating of prices which could not be stemmed by any human factor. Some plants dared not display their products because of poorer quality and high prices. They stepped aside and went back to their workshops to study how to improve quality and lower costs.

A new-type of commodity economy is forming in the country. It is not capitalist, nor is it small-commodity production. It excludes labour power from commodity and its competition is different from that under capitalism. This is because: First, the competition is not among capitalists but between enterprises which are allied bodies of labourers. Competition is for the collective interests of the labourers, not for grabbing the biggest possible surplus value for the private owners of an enterprise. Second, as planning can exert a degree of regulatory influence, competition is limited in breadth and depth.

Bent on Changing

Be they factory directors, Party secretaries, responsible comrades of local economic departments or leading cadres of provinces and cities, everyone I met during my investigation tour is active in reforming the economic structure.

In an interview, the secretary of the Party committee of the No. 1 Radio Factory in Hefei

expressed high hopes of running the factory on a trial basis, as one that is really "responsible for its own gains and losses" and that practises the "system of the director assuming sole responsibility." The factory director is to be elected by a congress of representatives of the workers and staff. If he is elected to this post, he will organize his own "cabinet" and the leading body for managing production. In this way, he is convinced that work in the factory will take a big turn for the better.

A certain deputy director of the Anhui provincial economic commission has been engaged in industrial work since the early 50s. He believes that there will be no way out for the country if we work along the old Soviet lines and restrict ourselves within the boundaries of natural economy. Then I asked him what he would do if his Anhui goods could not compete with those produced in Shanghai. He laughed: "That's all right! The market is flexible. Take transistor sets for instance. The sophisticated ones produced in Shanghai may be popular in cities. But our Anhui-made transistors are cheap, handy and practical. They are welcomed by the peasants."

The Party committee secretary of the above-mentioned Dujiang Machinery Plant told me that people were bent on change. The plant has a big world map at its entrance showing the countries its products go to. It encourages the workers and staff to keep up the quality standards of their well-known brands and strengthen their position in the international market.

More Probing Needed

The reform in the economic structure now on trial is in step with the development of the productive forces of present-day China. It is an appropriate economic form which should be adopted and put into practice for realizing modernization. Although defects have been uncovered in the old centralized economic structure which depended on administrative management, it played a positive role in the initial stages of its establishment and occupied an unshakable position in the long period which followed. It is difficult to reform the whole structure overnight. In the process of the formation and development of the new economic relation, contradictions



The No. 2 Rubber Plant in Haikou used that part of the profit it retained to build 2,580 square metres of dormitory space for its workers and staff.

are bound to arise between it and the old structure.

For instance, when an enterprise is entitled to share a small part of its profit, it may meet with all kinds of obstacles from the old structure in various links of its operation. The state materials distribution departments and commercial agencies still have a big say in the supply of the means of production and the marketing of products. Output over and above the state quota is still limited. The recruiting, assignment and dismissal of workers are basi-

cally within the frame of the old labour system. All these contradictions between the old structure and the development of the productive forces can only be solved in the process of further reform.

China has begun to make changes in its economic structure. This is a road leading to a modern future, a road full of hardships but also full of promises. We have lots of problems to tackle both in theory and practice. We should keep on probing and continue earnest discussion.

Discussion on Economic Theory

Should There Be Competition in Socialist Economy?

Not long ago, some of our Danish readers wrote to us asking whether there is competition among China's state-owned socialist enterprises. If there is, then to what extent? China adopted a highly centralized system in economic management and there was not much power of decision or power of self-management left for an enterprise. So practically speaking, there was no competition at all among the enterprises.

However, since reform in economic structure was tried out last year, competition has appeared among those enterprises which were granted more power of decision. (See the article "Initial Reform in Economic Structure" in this issue).

Scholars in the field of economic theory have already had a discussion on the question. Most of them maintained that there should be limited competition among socialist enterprises under the guidance of a planned economy. But a few held a different view.

Following are excerpts of some articles with different approaches to the question.

Yes, There Is Competition

by Wu Tongguang

A TRADITIONAL concept holds that there should not be competition in a socialist

economy because competition means capitalism. Actually, competition itself does not indicate the characteristics of the relations of production. It is correlated with the law of movement in a commodity economy, that is, the role of the law of value.

Marx said: "The division of labour within the society brings into contact independent commodity-producers, who acknowledge no other authority but that of competition." (*Capital*, Vol. I, Chapter XIV.) Competition arises among different commodity-producers who vie for favourable conditions in production and marketing. In a commodity economy, the law of value regulates production and circulation through competition and the fluctuation of market prices. Therefore, competition is not a social phenomenon peculiar to capitalism.

In the present stage of socialism, since there is still commodity production and exchange and the law of value is still regulating production and circulation, there should be competition among producers and commercial departments. Otherwise, we cannot use the law of value to achieve the best economic effect.

Competition under the public ownership of socialism is a means by which the people use the law of value consciously to achieve the aim of socialist production. The aim of socialist production is to meet the needs of the society. But



A corner of a Shanghai market for capital goods.

a big problem now is the dislocation between production and marketing. This is partly caused by strict state control over the producers and the commercial departments. We must change the practice of the state purchasing and marketing all the products. If the consumers may freely select what they want on the market, the factories which are in a favourable position in competition by supplying cheap but good commodities will have a better future. On the other hand, the enterprises which suffered serious losses because of bad management will be compelled to improve their business management and effect a change in their unfavourable position in competition. Otherwise, these enterprises must be reorganized or even closed down.

Will competition undermine the socialist planned economy? No. So long as we integrate the planned economy with the market economy and make the former as the principal factor and the latter supplementary to it, competition will regulate and minimize the contradiction between production and needs in a better way. This will help fulfil the state plan materially and demonstrate more clearly the superiority of a planned economy.

Will competition lead to capitalism? Marx

pointed out in *Capital* that the capitalist mode of production must have two prerequisites: The labour power becomes a commodity and money can be transformed into capital. Without these two prerequisites, competition alone will not lead to capitalism. Capitalist competition is carried out on the basis of capitalist private ownership and is governed by the basic economic law of capitalism, that is, the law of surplus value. The result of that kind of competition is jungle law.

Socialist competition is conducted on the basis of socialist public ownership and is governed by the basic economic law of socialism.* This kind of competition will make the advanced enterprises more advanced and those lagging behind try to catch up. These two types of enterprises will promote each other. There will be no harm socially even if some badly managed enterprises whose existence has long depended on subsidies go out of business

Of course, it is imaginable that some negative results will emerge out of competition. But this is not something to be afraid of. A socialist country can regulate these through planning, pricing and other economic means like banking and taxation.

(Excerpts from "Socialist Economy and Competition" published in "Guangming Ribao" on March 24, 1979.)

Competition No, Emulation Yes

by Jin Mingjun

COMRADE Wu Tongguang links up competition with the law of movement of commodity economy, that is, the law of value. This viewpoint is not clearly defined.

In the commodity economy based on private ownership, the law of value spontaneously regulates production and circulation through competition. In the commodity economy based on public ownership, however, this regulating role is used by the state through planning. The

* Stalin's formulation of this basic economic law of socialism in his *Economic Problems of Socialism in the U.S.S.R.*, written in 1952, is: The securing of the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society through the continuous expansion and perfection of socialist production on the basis of higher techniques.

spontaneous regulation through competition is completely excluded.

To be more precise, competition is correlated to the commodity economy based on private ownership. When Marx, Engels, Lenin and Stalin talked about competition, they always related it to that type of commodity economy.

Actually competition is the struggle waged by a producer against others for his own interests. So, the essence of competition is exclusiveness. It aims at protecting the "sacred private ownership." Therefore, competition inevitably presents itself as a kind of antagonistic relationship between different sides who fight for their own interests

I think that there will be three harmful developments if competition is practised in a socialist economy:

1. Competition will bring along anarchism in production and major imbalances in the national economy. If competition is allowed, then the enterprises will compete with each other in producing those products which sell good and yield bigger profits (mainly consumer goods) in disregard of the state plan. They will not produce those things which yield little profit but are needed by the state (mainly capital goods). In these circumstances, a disproportion between the various branches of the national economy will occur.
2. Competition will corrupt the ideology of the Party organization and that of the workers and staff. "Principle is nothing and economic interest is everything" will become the motto of the enterprises. Then, the cadres will begin to learn the bourgeois style of work such as double-dealing and injuring others for the sake of one's own advantage, and some may turn into speculators. And the workers' initiative will centre on the economic interests of their factories. Immediate interests will shackle the minds of the workers and lower their status as masters of their own country into that of the slaves of their factories.
3. Competition will undermine, in a fundamental way, the socialist relationship between the state and the enterprise and between enterprises themselves. Enterprises are an organic part of the socialist state economy, and they share common interests. The relationship between them is one of equality and mutual co-operation. But with competition, they will only think of their advantages and vested interests and how to edge out others, thus undermining their relationship of co-operation.

Under the conditions of socialism, the only way to give full play to the workers' initiative is to start a socialist emulation drive under the Party leadership. Emulation is entirely different from competition. It embodies the working people's sense of being masters, and reflects the socialist relations of production which are characterized by comradesly co-operation. Emulation is the real motive force in promoting the socialist economy.

(Excerpts from "Competition Is No Good for Socialist Economy" in "Xueshu Yuekan" [Academic Monthly] No. 7, 1979.)

Competition Means Progress

by Zhu Jiaming

FOR years, competition has been thought of as an important characteristic of capitalist private ownership and as being incompatible with socialist public ownership. Is that true?

Origin of Competition

Marx pointed out in *Capital*: "... mere social contact begets in most industries an emulation and a stimulation of the animal spirits that heighten the efficiency of each individual workman." The sentence exposes the general character of competition and its origin, that is, social contact in productive labour.

Since the division of labour and commodity exchange appeared in human society, any social contact between labourers was effected through commodity exchange in the market. The more developed the exchange was, the more acute the competition became. And vice versa. Competition embodied the demand of the law of value.

Competition found a full-fledged development after capitalist society appeared. When capitalist society reached the stage of imperialism, monopoly did not wipe out competition, but made it grow on a bigger scale. Competition helped capitalism create a great mass of wealth and high productive forces in the short span of several hundred years. We must acknowledge the positive role that competition played in history.

Under the economic system of socialism, there still exist commodity exchange and the law of value. Since things are like that, there is no reason to negate the existence of competition which is related to the two.

Features of Socialist Competition

The difference between socialist competition and capitalist competition is self-evident, since the system of ownership is different.

Under socialist conditions the main characteristic of competition is its integration with and restraint by the state planned economy.

The state should readjust its plan according to the result of competition. The main task of planning is to effect a comprehensive balance. When a plan is being carried out, it may be upset by competition. The positive effect arising from competition should be the basis for the state to readjust its plan swiftly. For example, if certain goods have piled up in the market, their production plans have to be curtailed.

Influenced by various social, political and ideological factors, competition will sometimes exceed the limit allowed by public ownership and become incompatible with the national economy as a whole. Then the state must use its plan to guide, interfere or even limit competition.

Under socialism, competition means progress and vitality.

Problems to Be Solved

To set up a new economic structure which includes competition, it is necessary first and foremost to solve the following three problems:

1. Expand the market economy and allow

more goods to enter the market. Not only consumer goods but most of the means of production should be allowed to enter the market. Only thus can there be a wide scope for competition and can the positive effect of competition influence the whole national economy.

2. Give the enterprise more power of decision and let it sell its products directly in the market. In this way, an enterprise will pay more attention to business accounting, management and the interests of the consumers.

3. Reform the present practice of setting prices by the state in a unified way. And acknowledge the existence of the production price*, allow price fluctuations within certain limits and set ceiling prices.

China experienced feudal society for a long time. Commodity economy has never been highly developed and the tradition of competition is rather weak. So when competition is allowed, a series of complicated problems and even unbearable phenomena will crop up. But there is nothing to be afraid of, and still less is there any reason to negate competition.

(Excerpts from "Does the Economic System of Socialism Exclude Competition Absolutely?" in "Xueshu Yuekan," No. 7, 1979.)

* Under general conditions, it includes production cost and average profit. It is a transformation of value and regulates the market price.

On-Site Report

To the South Pacific

China successfully carried out carrier rocket tests between May 18 and 21. These tests mark a higher stage attained in carrier rocket technology by China. They are of great significance for the development of science technology in our country and for the acceleration of the four modernizations. Following is an on-site report of the launching by Xinhua Correspondents.

— Ed.

THE sky over the launching site on the morning of May 18 was clear and cloudless. Engineers and specialists up on the tiered launch platform and in the control room carried out last-minute checks before the blast off. Then

the platform was withdrawn and everyone moved away from the launching site. There was complete silence. The slender, milky white rocket stood upright on the pad and was ready to lift off.

In the underground control room, the commander's eyes were on the electronic clock. He listened carefully to each operator reporting in and then began the countdown. "Ten minutes. . . ." "Five minutes. . . ." "One minute. . . ." As the final few seconds were read out, the various tracking devices started working. High-speed cameras and recording instruments came on.

"Zero!" An operator pressed the button.

An earthshaking rumble was heard and the gigantic rocket lifted off, rising higher and higher into the sky, a long flame shooting out from behind it.

The rocket rose steeply into the blue sky. After several seconds it began to veer; some seconds later we saw a long white streak of condensation extending southeastward. The rocket turned into a tiny bright star, escaped through the atmosphere and disappeared out of sight.

All over China and on the ships along the way, hundreds of modern tracking and communication devices designed and made in China fixed on the rocket and closely followed its movement. They accurately determined, recorded and reported every detail of the rocket's performance to the control centre — speed, altitude, working order. . . .

In the general control room, reports came in constantly. "Tracking good. . . ." "Every-

thing normal. . . ." On the panel of TV screens coloured figures flashed and disappeared. Automatic recording instruments drew the curve of the rocket path. It hugged the pre-plotted curve.

After a time in outer space, the rocket re-entered the atmosphere and began plunging towards the target area in the Pacific Ocean.

Around the designated area, survey ships and recovery ships flying the five-star red flag stood by expectantly in precise positions. P.L.A. Navy vessels circled about on patrol. Helicopters with tracking equipment whirled overhead, helping the ships monitoring the flight.

Suddenly, something flashed from out of the clouds and grew into a dazzling, blinding light. It became larger and larger, heading straight for the splash-down area. Several thousand metres above the water, the instrument capsule mounted on the rocket automatically separated from the rocket. Before it splashed down, a parachute opened out. As the carrier rocket plunged into the sea, a tall column of water rose into the air.

Almost immediately a ship reached the splash-down area. Recovery helicopters were dispatched. They hovered 30 metres above the capsule in the sea. Divers clambered down from suspended ladders and jumped into the South Pacific waters. It took only 5 minutes 20 seconds to recover the capsule. Then the instrument capsule was flown to the deck of a recovery ship.

"The rocket reached the designated area." "Recovery completed." The news was quickly transmitted from the ship back to the launching site and to Beijing. Everyone, on the ships and on the land, in departments directly taking part in the test, at the general operations command office, cheered and shook hands with each other in celebration of the successful test.

Upper left: The carrier rocket ready to blast off on the launching pad.
Upper right: Lifting off.
Lower: Chinese ships arrive at the designated area.



On Class and Class Struggle

A heated discussion on class and class struggle has taken place in theoretical circles lately. Here we publish excerpts from some articles with different viewpoints carried in the press under specific headings. The first part "How Is Class Determined?" appeared in our issue No. 20. This is the second part. — Ed.

2. Yardstick for the Elimination of Exploiting Classes

HOW should one look at the elimination of the exploiting classes? Although all taking part in the discussion agree that the question should be approached from an economic angle, obvious differences in opinion exist. The following is the gist of two related articles.

What Is the Basis for Determining Whether the Exploiting Classes Have Been Eliminated?

— Wang Zhengping

Whether or not the exploiting classes have been eliminated should, in principle, be judged by the relations of production and the ownership system. The elimination of exploiting classes, however, involves a complex process.

Specifically, there are three steps in the process.

1. Seizure of political power through a proletarian revolution which overthrows the rule of the exploiting classes—this is the prerequisite for the elimination of the exploiting classes;

2. Expropriation of the means of production of the exploiting classes by means of the political power in the hands of the proletariat to change the ownership system. This is the deci-

sive step in eliminating the exploiting classes. After the exploiting classes have been deprived of their ownership of the means of production, which means the elimination of the economic basis to which they owe their existence, the exploiting classes are in the process of being eliminated;

3. The elimination of the exploiting classes as a social force involves suppressing the resistance put up by the exploiting classes and transforming members of these classes into labourers living by their own labour. When the resistance of the exploiting classes has in the main been put down and the majority of the members of the exploiting classes have become such labourers, their remnants cannot possibly continue to constitute an independent, whole class. Under such conditions, the exploiting classes are considered to have been eliminated as a class.

Some people ask: Since the elimination of the exploiting classes as a social force involves the suppression of the resistance of the exploiting classes and the transformation of the members of these classes, doesn't it mean that apart from the expropriation of the means of production, there is something else that should be taken into consideration, namely, the political aspects of the matter? The answer is no. These two measures are merely the means to eliminate these classes, while the end is to ensure and consolidate the change of the relations of production and the system of ownership. New relations of production can be firmly established and the transformation of the relations of production and the ownership system of the exploiting classes will become a well established fact only when the resistance of the exploiting classes has been suppressed and most of their members have been transformed into labourers earning a living by their own labour and are no longer in a position to regroup themselves into a class force.

Accordingly, the transformation of the relations of production and the ownership system, which is the economic factor, is in

principle still the yardstick for judging whether there are exploiting classes or not.

Some comrades hold that transforming members of the exploiting classes should be based on political and ideological transformation. This, too, is a misunderstanding. The Party's policy towards the transformation of the members of the exploiting classes is basically aimed at changing their status from exploiters into labourers living by their own labour. Such a transformation is still one of economic status. As long as members of the exploiting classes are willing to accept this transformation and observe government decrees, as long as they do not engage in sabotage and, after labouring for some time, make themselves labourers living by their own labour, it is a demonstration that their economic status of being exploiters has been changed and so, according to the Party policy, their class status can be changed. This is why we say the yardstick for differentiating classes and for eliminating classes is in principle the same — both being judged by economic relations and economic status.

When Were the Exploiting Classes In China Eliminated?

—Chen Zhongli

What is the basis for determining whether the exploiting classes have been eliminated? When, in our country, were they eliminated? To give an answer to these questions, we must first of all have a clear idea about what is a class and what is the standard for differentiating classes. We must also find out if the same yardstick can be used for the elimination of classes and for differentiating classes.

To this last question, classical Marxist writers have given an affirmative answer. Classes are products of given economic relations and they come under the economic category. The division of a society into classes stems from the private ownership of the means of production. The basic characteristic differentiating classes is their different relationship to the means of production.

Therefore, there is only one criterion for differentiating classes, that is, according to the economic category; in other words, the relations of production, mainly the relations in the ownership of the means of production, should be taken as the yardstick.

Should the yardstick for the elimination of classes and that for class differentiation be the same? Yes, they should. Every class has its given material basis and its own features. If and when such a basis and such features have been eliminated, that particular class no longer exists as a class. There is only one single yardstick, the economic yardstick, for class differentiation and also only one single yardstick, the economic yardstick, for the elimination of classes. Therefore, we should look into the questions of whether, when and how the exploiting classes have been eliminated in our country (not including Taiwan Province) from the angle of economic relations, of the changes in the relations of production and the relations of the ownership system.

The way to eliminate exploiting classes is to eliminate their ownership of the means of production. To this end, we have adopted different specific measures in our dealings with the different exploiting classes. In regard to the bureaucrat and comprador capitalist class — the tools of foreign imperialists — their bureaucratic capital was confiscated. This was accomplished immediately after countrywide liberation; thus that class was wiped out long ago from the face of the Chinese mainland.

In regard to the feudal landlord class, the problem was solved through a land reform movement in which land and other means of production belonging to the landlords were confiscated and distributed among the peasants. Except for some regions inhabited by minority peoples, the countrywide land reform was victoriously completed by the end of 1952, thus eradicating the feudal exploiting system and the landlord class as a class.

In our dealings with the rich peasants, two steps were taken. First of all, the surplus part of their means of production was requisitioned in the land reform movement so as to weaken their economic basis. This step started the process of eliminating the rich peasants as a class. Secondly, the rich peasants' ownership of the means of production was thoroughly transformed through the agricultural co-operative movement. By 1956, the rich peasants had been eliminated as a class.

Our capitalist class has its own peculiarities due to the specific historical conditions in our country. During the period of the democratic revolution, while exploiting the proletariat, it also opposed feudalism and bureaucrat-capitalism. Then, in the period of the socialist

revolution, while continuing to exploit the proletariat, it also supported the Constitution and showed its willingness to accept socialist transformation. It was a part of the people of the People's Republic of China. This being the case, the question of the capitalist ownership of the means of production was resolved by adopting a policy of redemption*. Between the latter half of 1955 and the first half of 1956 we successfully carried out the socialist transformation of capitalist industry and commerce. By 1956, the capitalist class, the last exploiting class in our country, ceased to exist.

But, there is one point of view which has been expressed in some current articles that merits further examination. Some comrades maintain that the elimination of the ownership of the means of production of the landlord class and the bourgeoisie merely indicates the elimination of the economic base of these classes, not the elimination of these classes *per se*. They hold that these exploiting classes are still around until most of the members of these exploiting classes have been transformed through a long period of struggle and education into labourers living by their own labour. In our country, as they see it, it is only quite recently that the exploiting classes have ceased to exist as a class. In their opinion, the elimination of exploiting classes should consist of two aspects: one is the change of the private ownership into socialist public ownership to eliminate the economic base of the exploiting classes, and the other is the elimination of the exploiting classes as a social force, suppression of their resistance and the transformation of their members.

I cannot agree with this viewpoint.

To begin with, this separates the yardstick for the elimination of classes from that for class

*The policy of redemption meant that the state paid the national bourgeoisie a certain price for the nationalization of their means of production. Before their enterprises became state-private joint enterprises by whole trades, redemption took the specific form of giving them a certain amount of profits and after that, it took the form of paying them "fixed interests." In the latter case, capitalists were given a yearly interest at a fixed rate (generally 5 per cent per annum) according to the amount of their shares, regardless of the profits or losses in their former enterprises. The payment of fixed interests began in 1956 and ended in September 1966. Former owners of enterprises were also given jobs and their living conditions were taken care of. A part of the capitalists were allowed to continue to receive high salaries. All this was a part of redemption.

differentiation. When the relations of production and the relations of ownership of the exploiting classes have been eliminated, these comrades still refuse to admit that these classes have been eliminated as a class and insist on saying that they should also be eliminated as a "social force." Isn't this clearly a denial of the economic yardstick for the elimination of classes?

Next, if the transformation of the members of the exploiting classes is also taken as the yardstick for judging whether these classes have been eliminated or not, another question is sure to arise: What is the yardstick for judging whether these people have been transformed or not? What percentage of the transformed would indicate that such a class has been eliminated? This approach would most likely lead to a kind of yardstick for the elimination of classes based on subjective whims.

Finally, to regard "the suppression of the exploiting classes" as an aspect or a mark of the elimination of classes is also unscientific. This would certainly confound the idea of the elimination of exploiting classes with the idea that class struggle is still around, which are two different questions.

Some people may ask, since the exploiting classes in our country were eliminated as early as 1956, why is it that it's not acknowledged until now? The time for the acknowledgement, we say, does not necessarily coincide with the time of the elimination. Besides, it was declared at the Party's Eighth National Congress in 1956 that the landlord class had been eliminated. In view of the fact that at that time the transformation of agriculture, handicraft industry and capitalist industry and commerce had just been completed, no declaration that the rich peasants and capitalists had been eliminated as a class was made in an explicit way; it merely said that their members were in the process of being transformed from exploiters into labourers. Precisely because of the failure to announce at a later date that these exploiting classes had been eliminated as a class, coupled with an ideological mistake in the guideline, this question which had already been resolved was once again brought up and, moreover, overemphasized. The result was that class struggle was magnified and our socialist construction greatly affected. This is a lesson we must learn from.

(To be continued.)

● *Motherly Lore*

The emulation campaign to "love the children as their own mothers would," which was proposed at a Beijing meeting attended by some 1,000 nursery staff and kindergarten teachers, is unfolding in the capital's nurseries and kindergartens.

During 1959 and 1960, the slogan of "loving the children as their own mothers love them" was raised in child-care circles. It helped improve child care and teaching of pre-school children. During the Cultural Revolution, it was attacked as propagating "bourgeois theory of human nature," "bourgeois maternal love" and training "young revisionist successors."

Today teachers and nurses are called upon to look after pre-school charges as their own children. The emulation also calls on them to teach children more scientifically than the mothers themselves, according to the Party's educational policy and taking into account the children's mentality and physiological characteristics.

The Jianguomen Nursery in Beijing has a history of over 20 years. The nurses and staff members are now doing all they can in the present campaign to make a good job of their work. When parents are out of Beijing on business or abroad, the nursery will undertake to look after the children in every way, taking good care of them day and night. The staff cooks nourishing, tasty meals the children like and see that the menu is changed frequently. In addition, children are given regular health checks.

The Beijing "June 1" Kindergarten, in accordance with the Party's policy of enabling children to develop morally, intellectually and physically, has adopted a series of measures. Children are taught things according to their age and natural inclinations. Through games and in ordinary routine, the children are taught to be polite and industrious, concerned about others and ready at all times to help each other.

The Beijing No. 5 Kindergarten and the Shuguang Kindergarten pay particular attention to teaching language and good behaviour. They also teach them general knowledge. Many kinds of teaching aids and toys have been made by the staff members. The principle in teaching is guidance and enlightenment. Children are also taught Chinese language and scientific knowledge through songs and stories.

Xu Qingai is a 74-year-old retired teacher in the capital's Xuanwu District who has had 50 years of teaching pre-school children. She gives her full support to the restoration of this campaign to "love the children as real mothers." She often gives the benefit of her vast experience to other teachers and nurses.

● *Ants Help Forecast Weather*

Observing the behaviour of ants has helped a group of students of Wujiazhou Middle School in Taojiang County, Hunan Province, to issue timely



Children in the "June 1" Kindergarten.

People in the News



Shen Peinong is a papercut artist whose works are skilfully cut and full of vitality. No one would imagine that he is an invalid paralysed from the waist down.

Shen Peinong, who is over 40 today, was crippled by rheumatism when he was a boy. He had just finished his first year in a middle school when he was confined to bed. One day in 1957 he read about an invalid who overcame all kinds of difficulties to make himself useful as a translator of foreign works. Shen drew courage and inspiration from that article and decided he'd make himself useful by using his head and hands.

He began to study literature, medicine, painting and music, but what caught his interest was papercuts. A teacher of the Central Institute of Applied Arts guided and helped him.

As in other branches of art, papercutting requires knowledge and experience in life. This is not easy for Shen Peinong, who could not move. But he carefully observed the life in his courtyard. The various expressions and postures of children playing were among things he studied and pondered over. Even a small thing like a cat leaping down from the roof was observed and noted. Often he asked to be taken out in a wheelchair. He watched and noted what people did in the street and made many sketches.

His papercuts began to show greater depth and maturity. His skill improved with time and practice and he began to develop a style of his own. In the last 20 years, he has created some 1,200 papercuts. His art works have been widely admired, some of them appearing in newspapers and magazines, some used on envelopes and calendars and others as motifs on enamel plates.

This handicapped artist has added colour and beauty to many things in life, but very few people realize how hard Shen Peinong has fought against pain and depression to make this possible.

and fairly accurate local weather forecasts. Records from August 1976 to February 1980 showed that 80 per cent of their short-term forecasts and 74 per cent of their intermediate-term forecasts were accurate.

On behalf of the small weather group, Yin Jianliang, a 17-year-old student, read out last December a paper entitled "A Preliminary Inquiry on Ants and the Weather" to the National Youth Science Symposium held in Beijing. The paper was awarded a top citation.

Yin said ants were "a very good meteorological instrument." They were readily available everywhere and sensitive to weather changes.

When it is going to turn fine, Yin said, worker ants would start a "clean-up" as soon as they start the day, carrying dirt and excrement out of their nests before going out to forage for food the rest of the day. When the ants swarmed to another place, climbed trees, or start reinforcing their nests, it was a sign of an impending storm.

Yin Jianliang and his colleague Liu Gushou who are known as "ant buffs" to their mates have carried out systematic observations of ants for 1,100 days after school. And with help from other students, they have noted down various reactions to changes of weather

by different species of ants. This has helped the students to draw up 14 laws for weather forecasting. These young members of the weather group also study modern meteorological practices and theory.

The group has collected 2,100 old Chinese sayings about ants and the weather from local peasants and has 80 old weather-wise peasants as its advisers. It has built up a useful little library over the years and it exchanges information and experience with some 90 weather observatories and research units in China.

A total of 310 members of this group have graduated from the school in the last decade and are active in observing weather in their home villages.

● *Pleasure Cruising On the Huanghe*

A new pleasure boat is now cruising along the Lanzhou section of the upper reaches of the Huanghe (Yellow) River, the second largest in China. This section of the river, in the area of Gansu and Qinghai Provinces, has been unnavigable until recently.

Rising from southern Qinghai, the 5,464-km. Huanghe flows to the east and empties into the Bohai Bay.

The 29-metre-long double-decker boat with a wood and steel hull has a carrying capacity of more than 300 people. Both Chinese and foreign tourists have been attracted to the new service. It is also a novelty for the local people because they have never seen a pleasure cruiser on the river before. Tourists have enjoyed boating on the sheepskin rafts which used to be the only available means of transport on the upper reaches of the Huanghe.

SPORTS

*International
Tournaments*

Shanghai International Friendship Invitation Table Tennis Tournament. After six days of keen and friendly competition, the tournament ended on May 2, 1980, with host players winning all seven titles.

Visiting players were from the Democratic People's Republic of Korea, France, Japan, Sweden and Xianggang (Hongkong).

In the tournament, many young Chinese players made their way to the top of the list. Wang Huiyuan, men's singles champion; Cao Yanhua, women's singles champion; and Xie Saike, men's singles runner-up, are all under 20. Qi Baoxiang, 19, and Geng Lijuan, 17, took the women's doubles.

The tournament showed that European players have made rapid progress in recent years. The French team out-played the Japanese men's and Korean men's teams and the young Swedish players also did very well.

Nanjing International Women's Volleyball Tournament. The 5-day tournament which ended on May 9 saw superb performances by the national teams of China, Japan and the United States which are among the strongest in the world. China defeated Japan 15:12, 15:7 and 15:6 to capture the title. The Japanese team finished second with four wins and one defeat, and the United States came third with three wins and two defeats. China had five wins.

Although not many countries took part, the matches were all keenly competed and were of a high standard.

Both the Chinese and Japanese teams played a fast attacking game in the finals, which lasted one hour and two minutes. Juri Yokoyama was Japan's top scorer. The 1.86-metre-tall spiker Lang Ping, Zhang Rongfang, Zhou Xiaolan and others from the home team played a splendid game.

The two teams had been pitted against each other on many occasions in the past. At the Eighth Asian Games in Bangkok, December 1978, Japan beat China 3:0 and won the title, but in the finals of the

Asian Championship in Xianggang (Hongkong) last December, China beat Japan 3:1.

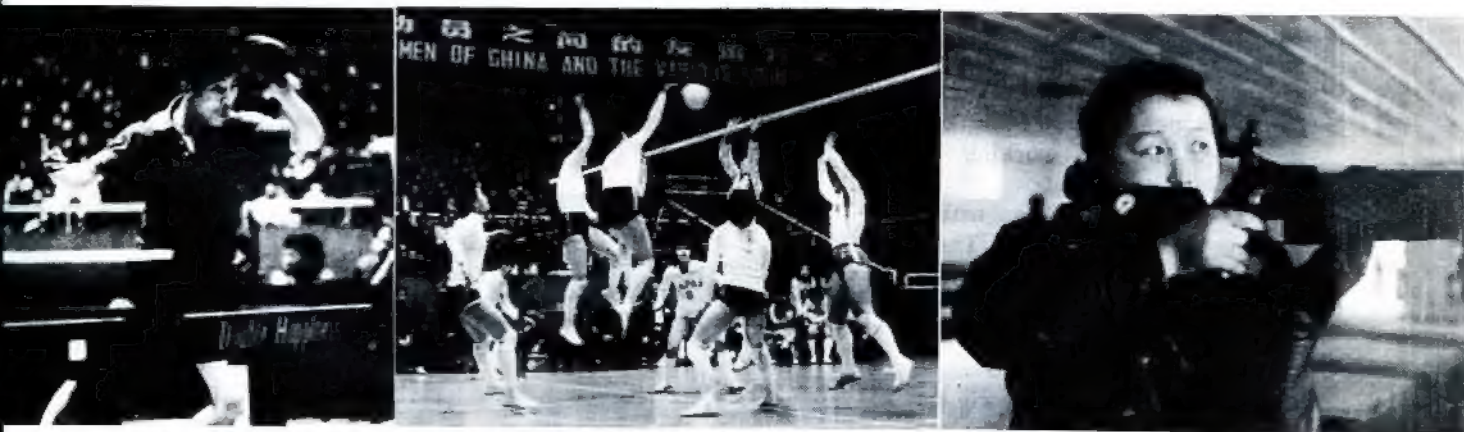
C. Benacek of New Zealand, Vice-President of the Central Region of the Asian Volleyball Confederation, said that the Nanjing tournament proved that the United States and China were now ready to challenge the best in women's volleyball.

"In the current tournament," he added, "the Americans showed good skills individually, while the Chinese combined very well as a cohesive team. But both are not up to the Japanese in terms of volleyball expertise."

Beijing International Shooting Tournament. The nine-event tournament, which lasted five days, came to an end on May 18.

More than 150 shooters from Aomen (Macao), China, the Democratic People's Republic of Korea, Japan, Malaysia, the Philippines, Romania, Singapore, Sweden, Thailand, Xianggang (Hongkong) and Yugoslavia took part in the tournament.

In competing against shooters of international renown from



Left: Wang Huiyuan, winner of the men's singles, doubles, and mixed doubles. Middle: Chinese and Japanese volleyballers in action. Right: Jin Dongxiang bags two gold medals in the Beijing International Shooting Tournament.

other countries, the Chinese shooters did fairly well, bagging four firsts, six runners-up and six third places. Japan had two firsts, one runner-up and one third place; Sweden, two firsts and one runner-up; Yugoslavia, one first, one runner-up and one third; the Philippines, one third place.

Twenty-three-year-old train attendant Jin Dongxiang won the women's standard rifle 3 by 20 event with 580 points, improving the 1975 national record of 578 points she had set. The figure is only two points behind the world record. Two days earlier she had carried off the men's rifle prone shooting title with 598 points.

MEDICINE

Shanxi Trains Doctors of Traditional Medicine

Some 500 students are being trained to become doctors of traditional Chinese medicine in north China's Shanxi Province by master-apprentice method.

The trainees are all senior middle school graduates or have an equivalent education. Many are children of doctors of traditional Chinese medicine. Their period of training is three years. They spend their first year studying the basics of traditional Chinese medicine and modern medicine in a medical school, followed by two years of clinical practice under the personal guidance of experienced doctors working in county hospitals or above. Each doctor is personally responsible for one or two students. Their time is devoted half to theoretical studies and half to practice. After three years, the students are required to have a fairly systematic knowledge of the theory of traditional Chinese medicine and to have a fairly sound grasp of their

teachers' clinical practice in treating diseases.

This method for practitioners taking apprentices, including their own children, is a long established practice in traditional Chinese medicine. Now this tradition is being improved upon by combining it with formal study in medical schools. It is considered as one effective measure to alleviating the shortage of practitioners of traditional Chinese medicine. Moreover, this permits the maximum use of facilities and teachers and the most experienced doctors.

This method is supplementary to the colleges and schools of traditional Chinese medicine. Most doctors of traditional Chinese medicine practising today were trained in these schools and colleges. An institute of traditional Chinese medicine is being set up in Shanxi Province.

At the same time, measures are being taken to raise the professional levels of the doctors on the job. These include short-term training courses and correspondence courses run by the Shanxi Medical College. Centering on training western style doctors, the college, however, includes courses in traditional Chinese medicine in its curriculum.

RENOVATION

Rebuilding a Culture Street

Liulichang is well known in Beijing as a street where stores selling books, antiques, Chinese paintings and calligraphy and other traditional art works are located. It is being given a major overhaul.

The 750-metre-long street dates back to the 15th century, when Beijing was again made

the capital during the Ming Dynasty. The imperial examination to select officials during the Ming Dynasty (1368-1644) and Qing Dynasty (1644-1911) attracted scholars from all over China to the capital and it led to a crop of shops springing up to supply books, paper, ink, brushes, inkstones and other accessory articles. Liulichang was close to the boarding houses where the scholars stayed.

When Beijing was liberated in 1949, Liulichang Street had some 170 shops and stores and most of them were run by husband and wife. In 1956 they were merged into a dozen large stores. Rongbaozhai, the largest, had only 30 square metres before liberation. It was rebuilt and enlarged to 800 square metres.

A 480-metre section is being pulled down to make way for bigger, better and brighter shops selling treasured editions of ancient books, reproductions of cultural relics unearthed, ceramics, enamelware, bronzes, cloisonne, jade and lacquer ware, bamboo, wood and ivory carvings, rubbings from stone inscriptions, seals, paper, ink and inkstones.

The new building and some old buildings being repaired will cover a total floor space of 30,000 square metres. The new building will be built along traditional Chinese architectural lines. The new stores will expand their merchandise to include Chinese national musical instruments, flowers, gold fish and birds.

Minister of Culture Huang Zhen heads the group in charge of the reconstruction work. The group includes historians, architects who have made a special study of ancient Chinese buildings, engineers and other specialists.



LETTERS FROM READERS

Policy Towards Nationalities

The late Premier Zhou Enlai's article "Some Questions on Policy Towards Nationalities" in issue No. 9, in which he explained China's policy on this subject, is very convincing and far-sighted. With historical background, the article is very concise and to the point. By opposing two types of chauvinism—big-nationality chauvinism and local-nationality chauvinism—China's policy towards national minorities has followed the right path, and China's correct attitude has established its position in the third world.

I also like the table giving the areas of distribution of China's minority nationalities. I am especially interested in the Hezhe nationality which has only 800 people.

Masatoshi Sawada
Hyogo, Japan

The table with the areas of distribution of China's minority nationalities in issue No. 9 is very informative.

Michael Merti
Munich, West Germany

The column *Special Feature* is very good, particularly the special feature on China's minority peoples. In a recent issue, *Beijing Review* gave a detailed account of those Chinese people who believe in Islamism. This gave the lie to the allegation of reactionaries that there is no freedom of religious belief in socialist countries.

Ahmed Mahammed Cabani
Laghout, Algeria

Polluted Changjiang River

As the secretary-general of the Kyushu agronomists' delegation, I paid my third visit to China last

year, during which I learned a lot. However, one thing caught my attention: The water in the Changjiang River is too dirty. This problem was once dealt with in *Beijing Review*. It might have been the result of soil erosion caused by indiscriminate felling of trees and reclamation of land on both banks of the river. It may be important for China to reclaim wasteland in order to feed its people, but a polluted river would bring irretrievable harm to posterity. I was so distressed by this phenomenon that I was in no mood to recite the poems of Li Bai and Du Fu. I hope the Chinese people will make concerted efforts to remedy the situation, for it is a matter of major concern to their welfare for centuries to come.

Chojiro Miyajima
Saga, Japan

Freedom of Dress

May we know whether there is freedom of dress in China? Many people are of the view that the state prescribes clothes for individuals and everybody is denied the opportunity of dressing as she or he may prefer. I don't mean that any type of dress, say, those Western mini dresses, should be introduced in China. Please clarify this point to your readers.

Stephen Isabirye
Kampala, Uganda

The state does not prescribe clothes for the people. The clothes of the Han people may not be as diversified as the Westerners', and the minority peoples of China have their own costumes and styles. Since the founding of New China, plain and simple living has been advocated, and the people are not encouraged to go after fashions, still less dress in peculiar styles. In recent years, the young people's clothes have become more colourful and diversified in style. — Ed.

Communications Sketch Map

I am very interested in your magazine, because it is very important and helpful to me. I hope it will have a wider coverage, for I am now studying Chinese history and geography. One day during our lesson on Chinese history and geography, my teacher

spoke about China's communications. I took out the sketch map of the Chengdu-Kunming railway published in *Beijing Review* and gave it to the teacher who showed it to the whole class. *Beijing Review* should get the credit for this and I wish to express my thanks to you.

Al Sirhani Hadeja
Casablanca, Morocco

For Better Understanding

I have subscribed to *Beijing Review* again this year. The freshness of the format, its many maps, illustrations and paper-cuts have added much to each issue.

The use of different colours in each issue has good eye appeal and gives individuality to the issue.

In my opinion, *Beijing Review* under the ultra-Left gang of four was a production of so much waste paper!

If you were to take an opinion poll of the American people, you would certainly realize their friendship and continued goodwill towards New China!

This friendship and basic understanding between the people of New China and the United States make *Beijing Review* necessary for the mutual understanding of the earth we both share.

Jerome Fra Slezak
Lakewood, U.S.A.

A Suggestion

I think *Beijing Review's* make-up and translation are very good. I'd like to suggest that you put a mark to denote the end of an article.

Carlos Mario Vasco S.
Medellin, Colombia

Thanks for your suggestion. Beginning with issue No. 23, we'll put the mark □ at the end of each article.
— Ed.

CORRECTION: On p. 3 of our last issue, the first sentence of the second paragraph in the left-hand column should read: "Comrade Liu Shaohang died of illness in Kaifeng, Henan Province, on November 12, 1969, as the result of a frame-up and persecution by Lin Biao, Jiang Qing and company during the Cultural Revolution."

HANCHUAN MACHINE TOOL PLANT CHINA NATIONAL MACHINE TOOLS CORPORATION

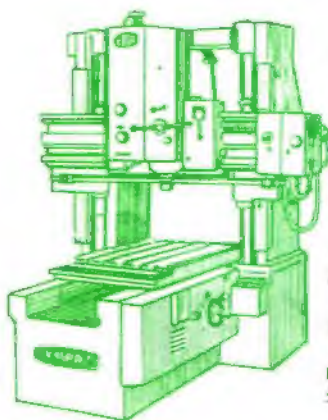
Uniform Precision, All Accessories, Favourable Prices, Backup Services

MAIN ACCESSORIES:

UNIVERSAL TILTING ROTARY TABLE, UNIVERSAL PRECISION BORING BAR HOLDERS, FINE BORING BAR HOLDERS, DEPTH MEASURING DEVICE, CENTERING AND ALIGNING DEVICE, MANDREL LOCATOR, SPRING TYPE CENTER PUNCH, VARIOUS ADJUSTABLE SLEEVES AND FINE BORING BARS ETC.
HORIZONTAL ROTARY TABLE IS AVAILABLE BY SPECIAL ORDER.

DOUBLE COLUMN OPTICAL JIG BORING MACHINE

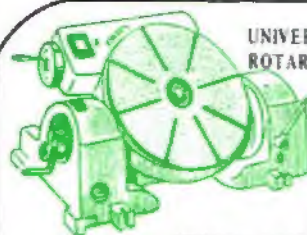
MODEL T 4280



APPLICATION:
SUITABLE FOR
MACHINING, LAYOUT
AND MEASUREMENT
ETC. OF WORKPIECES
WITH COORDINATE
PRECISION LOCATED
HOLES.

MAIN SPECIFICATIONS:
DIMENSIONS OF TABLE:
800 x 1120 mm
READING ACCURACY:
0.001 mm
POSITIONING ACCURACY:
±0.003 mm

UNIVERSAL TILTING ROTARY TABLE



DIA. 440 mm
INDEXING ACCURACY: ±5 sec.

HORIZONTAL ROTARY TABLE



DIA. 500 mm
INDEXING ACCURACY: ±5 sec.

HORIZONTAL BORING MACHINE

APPLICATION:

IT OFFERS GREAT ADVANTAGE IN MACHINING
HOLES OF WORKPIECES IN VARIOUS MACHINE
BUILDING INDUSTRIES.

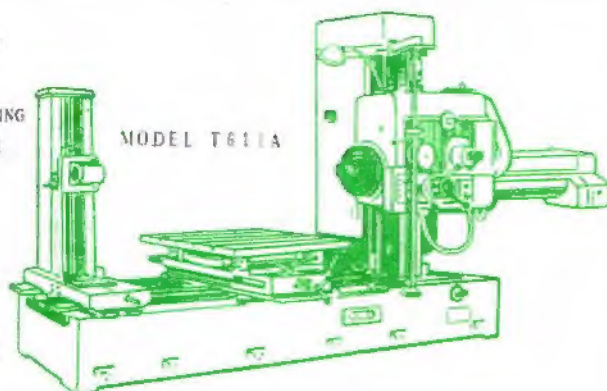
MAIN SPECIFICATIONS:

SPINDLE DIAMETER: 110 mm
DIMENSIONS OF TABLE: 1120 x 920 mm
POSITIONING ACCURACY: ±0.015 mm

MAIN ACCESSORIES:

UNIVERSAL BORING BAR HOLDERS, VARIOUS
ADJUSTABLE SLEEVES AND BORING BARS.

EXTENSION BORING BARS AND DIGITAL DISPLAY



MODEL T 611A

DEVICES ARE AVAILABLE BY SPECIAL ORDER.

CHINA NATIONAL MACHINE TOOLS CORPORATION

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TELEX: 22341 CMIC CN